

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

In Re:

Petition of Charter Fiberlink SC – CCO, LLC)	
For Arbitration of Certain Terms and)	
Conditions of Proposed Agreement with)	
Piedmont Rural Telephone Cooperative, Inc.)	Docket No. 2006-142-C
Concerning Interconnection under the)	
Communications Act of 1934, as amended by)	
the Telecommunications Act of 1996)	

DIRECT TESTIMONY OF
DOUGLAS DUNCAN MEREDITH
ON BEHALF OF

PIEDMONT RURAL TELEPHONE COOPERATIVE, INC.

ISSUES No. 3, 4 and 5

July 20, 2006

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1 **Q: Are you the same Douglas Meredith providing testimony for the unresolved**
2 **common issues in the above captioned docket and in Docket Nos. 2006-137-C,**
3 **2006-138-C and 2006-139-C?**

4 A: Yes.

5

6 **Q: On whose behalf are you testifying?**

7 A: I am testifying on behalf of Piedmont Rural Telephone Cooperative, Inc.
8 ("Piedmont").

9

10 **Q: What is the purpose of your testimony?**

11 A: My purpose is to address three arbitration issues identified by Charter Fiberlink
12 SC – CCO, LLC ("Charter") that pertain solely to Piedmont. I review these issues
13 and provide testimony in support of Piedmont's position in this matter.

14

15 **Q: What arbitration issues relate solely to Piedmont?**

16 A: Charter-Piedmont arbitration issues 3, 4 and 5.

2 *Is Charter Fiberlink required to reimburse Piedmont for transit charges paid by*
3 *Piedmont for Piedmont-originated traffic delivered indirectly to Charter Fiberlink?*
4

5 **Q: What is the dispute regarding issue number 3?**

6 A: Charter requested an interim traffic exchange agreement with Piedmont prior to
7 formally requesting interconnection with Piedmont. The result of this request is
8 the "Mutual EAS Traffic Exchange Interim Arrangement" signed by Piedmont
9 and Charter. In this EAS traffic exchange arrangement, Charter accepted the
10 financial responsibility of the cost of transmission and transit switching from the
11 Piedmont BellSouth meet point which is located at the boundary of Piedmont's
12 network. Now that traffic is flowing in accordance with this arrangement, Charter
13 seeks to change the terms of the arrangement and force Piedmont to pay for
14 BellSouth transit service on a retroactive basis.
15

16 **Q: When was this EAS traffic exchange arrangement effective?**

17 A: This EAS traffic exchange arrangement states it shall be effective "as of the date
18 it is executed by the second Party hereto."¹ I understand that the agreement
19 became effective on June 9, 2006.
20

¹ See Mutual EAS Traffic Exchange Arrangement, 9.0.

1 **Q: Has Piedmont fulfilled its obligations under the EAS traffic exchange**
2 **arrangement? Specifically, has Piedmont opened Charter's NPA-NXX**
3 **code(s) pursuant to Section 3.0 of the EAS traffic exchange arrangement?**

4 A: Yes. Piedmont has complied with its obligation under Section 3.0 of the
5 arrangement.

6
7 **Q: Did Piedmont wait until the EAS traffic exchange arrangement was effective**
8 **before opening Charter's NPA-NXX code(s)?**

9 A: Yes of course. Since the EAS traffic was subject to the terms in the arrangement,
10 Piedmont waited until the arrangement was effective prior to opening up these
11 NPA-NXX codes that were going to be subject to EAS treatment.

12
13 **Q: Is this arrangement subject to any true-up?**

14 A: No. The arrangement does not provide for a true-up. Section 8.0 of the interim
15 arrangement reserves the rights of the parties "to seek changes in this
16 Arrangement through the negotiation and/or arbitration of an agreement for the
17 exchange of traffic between the Parties upon terms and conditions different from
18 this Arrangement." This provision allows either party to seek a different
19 arrangement going forward (as Charter is seeking to do in the final agreement that
20 is the subject of this Arbitration), but should not be read to retroactively change
21 the interim agreement of the parties.

22

1 **Q: Charter suggests Piedmont should be punished for not “responding**
2 **promptly” to Charter’s original offer to establish an EAS traffic exchange**
3 **arrangement. Were there issues related to this EAS arrangement that**
4 **required careful consideration?**

5 A: Yes. There were several issues that needed to be resolved such as the physical
6 interconnection arrangement, scope of the traffic to be exchanged, and the
7 compensation terms. These issues involved various discussions among the
8 Parties, so any delay in reaching an interim agreement cannot be attributed solely
9 to either party. The arrangement itself describes an ongoing disagreement
10 regarding the location of Charter customers. If these customers are in fact within
11 the local calling area of Piedmont, then an EAS traffic exchange arrangement
12 would not be appropriate, rather a full interconnection agreement would be
13 necessary to address ancillary service issues such as E911 and directory listings.
14 Eventually, the parties agreed to disagree with respect to these customers and
15 signed the arrangement specifically recognizing these customers and treating
16 these customers as part of the interim arrangement. Charter signed the
17 arrangement after all of the various issues were discussed in detail. Therefore, if
18 it wanted to seek a true-up provision for EAS traffic exchanged, it should have
19 included the language for such true-up in the interim arrangement. Presently,
20 Charter is seeking to perform a bait and switch tactic on Piedmont by
21 intentionally signing an EAS arrangement that it seeks to retroactively change
22 now that traffic is flowing over this EAS route.

23

1 **Q: Does FCC rule 51.715 apply to this agreement?**

2 A: No. The RLECs are exempt from FCC rule 51.715 because each of the RLECs
3 has a rural exemption under 251(f)(1).

4

5 Furthermore, 51.715 only address the establishment of interim rates. It does not
6 address any other terms or conditions of interconnection such as the physical
7 arrangements, or the traffic to be exchanged which must also be addressed in
8 order to have a workable arrangement.

9

10 **Q: What is your recommendation for this issue?**

11 A: The Commission should require Charter to fulfill its obligation under the interim
12 arrangement it signed. As I discussed in my common issues testimony, if the
13 Commission properly establishes the POI in the RLEC network and affirms that
14 the Parties shall be financially responsible for their sides of the POI, this issue
15 will be automatically resolved.

1 Issues 4 & 5

2 *Must Piedmont file and obtain Commission approval of its interconnection agreement*
3 *with its CLEC affiliate?*

4 *and*

5 *Must Piedmont make the interconnection agreement with its CLEC affiliate available*
6 *for adoption pursuant to 47 U.S.C. § 252(i)?*

7
8 **Q: Does Piedmont have an interconnection agreement with its CLEC affiliate?**

9 **A: No.**

10
11 **Q: Does Piedmont's affiliate pay for all the costs incurred by the ILEC for the**
12 **provision of switching in accordance with FCC affiliate transaction rules?**

13 **A: Yes.**

14
15 **Q: What is your recommendation to the Commission on this issue?**

16 **A: The Commission should affirm that an affiliate transaction arrangement is not an**
17 **interconnection agreement and is not subject to filing with the Commission, nor is**
18 **it available for adoption by another CLEC.**

19
20 **Q: Does this conclude your Direct Testimony on issues 3, 4 and 5?**

21 **A: Yes.**

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**CERTIFICATE
OF SERVICE**

I, Rebecca W. Martin, Secretary for McNair Law Firm, P. A., do hereby certify that I have this date served one (1) copy of the Direct Testimony of Douglas Duncan Meredith on behalf of Piedmont Rural Telephone Cooperative, Inc. in the above-referenced matter on the following parties of record by causing said copies to be deposited with the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below.

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